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DE RUEHKO #3794/01 2290313
ZNR UUUUU ZZH
P 170313Z AUG 07
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 6568
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
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RUCNDT/USMISSION USUN NEW YORK 5465

UNCLAS SECTION 01 OF 08 TOKYO 003794

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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/17/07

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The regular features - top headlines, editorials, and prime minister's schedule - will be in the Daily Summary today.

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- 2) Koike in Okinawa tries to dispel rumor of secret deal with governor to remove Vice Minister Moriya
- 3) Newly elected lawmaker Sato, former commander of GSDF unit in Iraq, says he was ready to send troops to help other forces under attack, a violation of rules
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Articles:

1) Nago mayor shakes hands with visiting Defense Minister Koike

YOMIURI (Page 4) (Full)
August 17, 2007

Attending a press conference held in Nago City by a group planning to market Okinawa's Kariyushi ware internationally, Defense Minister Koike, yesterday noted, "I would like to see this ware sold all over the world in order to prevent global warming."

Koike noted that her visit to Okinawa was to take part in activities of the group in which she was involved when she was environment minister. However, her visit to Okinawa at this time is drawing attention, because of an observation that she might intend to use the resignation of Moriya as a bargaining chip in talks (on the Futenma relocation issue) with Okinawa, where there is a strong resentment against that vice minister.

Yoshikazu Shimabukuro, mayor of Nago City, the relocation site for the US Marine Corps' Futenma Air Station, unofficially took part in the press conference, and he shook hands with her afterward.

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Right after the press conference, Shimabukuro denied as groundless the view that the Okinawa's side worked on the defense minister to replace Moriya. However, at the Nago municipal office, he indicated his view that Moriya's resignation was appropriate, saying, "Serving as vice minister for five years would be far too long by most definitions. If he had stayed on, there would be a clash of views with Okinawa prefecture and Nago City over the Futenma issue."

2) Defense Minister Koike avoided talks with Nago mayor: Tries hard to deny rumor about secret deal over replacement of vice defense minister

NIKKEI (Page 2) (Full)
August 17, 2007

Defense Minister Yuriko Koike, who is now at the center of a furor over the replacement of the vice defense minister, yesterday took part in a tourism event in Nago City, Okinawa, the relocation site of the US forces' Futenma Air Station. There had been a rumor going around that she would unofficially meet with Nago Mayor Yoshikazu Shimabukuro, who reportedly was informed by Koike herself of her pending decision to dismiss Vice Defense Minister Takemasa Moriya. However, Shimabukuro in the end only took part in a press conference after the event.

Koike ruled out the possibility of meeting with Shimabukuro, who is seeking a revision of the government proposal for the relocation of the Futenma Air Station, noting, "I have no plan to discuss the base issue with him."

A Nago City assembly member disclosed that there was a secret deal between Koike and Okinawa Prefecture on the vice ministerial appointment. The deal involves the Defense Ministry seeking understanding from Okinawa Prefecture regarding its submission of a report on an environmental impact assessment method to the prefecture, the first step toward the relocation of the Futenma facilities, in return for Koike dismissing Moriya, who has been taking a hard-line stance on the base issue. Such a delicate situation may have been behind the cancellation of a meeting between Koike and Shimabukuro.

Koike tried hard to rule out the possibility of such a meeting. She underscored during a press conference on Aug. 15, "I have never said anything about the replacement of the vice minister to the Okinawa side." To a question whether Governor Hirokazu Nakaima has asked for the replacement of Moriya, Koike categorically replied, "He has never made such a request. Such a request should not be made."

However, according to a senior Defense Ministry official, Koike telephoned Nakaima on the evening of Aug. 6. The media reported the replacement of Moriya on the morning of the 7th and on the noon of the same day, the Defense Ministry submitted the method report to Okinawa Prefecture. Is this a coincidence or was there a secret deal? The secret deal rumor is making the furor even more complicated.

3) Upper House member Sato, former GSDF advance team in Iraq, reveals he planned to "go to aid of allies" on mission in Iraq

MAINICHI (Page 22) (Full)
August 17, 2007

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Upper House member Masahisa Sato, former head of the Ground Self-Defense Force's (GSDF) advance team in Iraq, revealed that he had intended to go to the aid of his allies if they were attacked while carrying out their mission together with his team. On this revelation, about 150 persons, including lawyers, sent an open letter defining such an act as "unconstitutional."

On a TBS news program aired on Aug. 10, Sato said that he had planned to go to the aid of its allies as the commander of the advance team in Iraq, adding: "I will be tried with pleasure if I have to do so under Japanese law." Under the government's interpretation of the Constitution, going to the aid of allies is unconstitutional, based on the judgment that the act is beyond the category of legitimate self-defense.

The letter called for replies to questions covering seven items, noting: "The act is unconstitutional and illegal, going against civilian control." The group also sent a letter to Prime Minister Abe, asking him to recommend Sato resign from the Diet. A member of Sato's office said: "He made the remark because he felt in Iraq that there were legal flaws. Although we have not received the letter yet, we will examine it in detail."

4) Repercussions of Upper House election on Japan-DPRK negotiations; Concerns over stagnation grow within GOJ

ASAHI (Page 4) (Abridged)
August 17, 2007

Repercussions from the LDP's big loss in the Upper House election continue, prompting growing fears within the government that Japan-North Korea negotiations will stagnate even longer. The Abe administration has not altered its policy of placing the utmost importance on solving the abduction issue, but a loss of momentum seems unavoidable now. Meanwhile, some say that North Korea, using the clamp down on the General Association of Korean Residents in Japan (Chongryon) as the reason, will continue its hard-line stance.

Yesterday in Shenyang, China, where the latest round of six-party talks on the denuclearization of the DPRK are taking place, Director-General of the Asian and Oceanian Affairs Bureau Kenichiro Sasae, stated that there was agreement to restart meetings of the working group to normalize relations between Japan and the North by the end of the month. However officials at the Foreign Ministry have suggested that there is a possibility that a Japan-DPRK meeting may likely be pushed back to September, until after the summit meeting between the heads of the two Koreas.

Regarding the results of the recent Upper House election, Vice-Minister for Foreign Affairs Shotaro Yachi stated that the policy towards North Korea would not change, saying: "The election

results had nothing to do with whether our foreign policy was poor or not." Yachi pointed to the election of Kyoko Nakayama, special advisor to the prime minister on the abduction issue, as "proof that the people understand the Abe administration's efforts in pursuing the abduction issue." Yet one foreign affairs official expressed a view that is growing within the government: "North Korea is looking at the weakened Abe administration and choosing to ignore it. Japan-DPRK relations will probably not move forward." North Korea's change in attitude after the September 2005 "postal privatization

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referendum" general election, when the LDP under then Prime Minister Koizumi had an overwhelming victory, lies in the background.

At the six-party talks held right after the 2005 general election, the DPRK pushed day after day to have direct bilateral talks with Japan. An official involved with the talks indicated: "North Korea probably wanted to negotiate with Koizumi, who opinion polls showed had overwhelming public support." In contrast, during the Association of Southeast Asian Nations (ASEAN) Regional Forum in Manila on August 2, right after the recent Upper House election, representatives from North Korea gave a one-sided, aggressive critique of Japan's treatment of Chongryon. There were no talks at the time between the DPRK and Japan.

5) Aso gets agreement for Japan-proposed initiative for peace and prosperity in Middle East, but rocky road lies ahead

YOMIURI (Page 2) (Full)
August 17, 2007

Foreign Minister Aso left for Mexico after winding up his itinerary in Jordan, Israel, and the Palestinian autonomous region on the morning of Aug. 16, local time. In his tour of the Middle East, Aso succeeded in soliciting agreement from the parties concerned to bring about the Japan-proposed initiative, "Concept for Creating the Corridor for Peace and Prosperity." Under this concept, Japan aims to help Israel and the Palestinians build mutual confidence, but there is still a long way to go before the initiative can be realized.

In a four-party cabinet-level meeting by Japan, Israel, the Palestinian autonomous region, and Jordan held in Jericho in the Palestinian region on the West Bank of Jordan on the afternoon of Aug. 15, Palestine Liberation Organization (PLO) Negotiation Bureau Chief Saeb Erekat praised Japan's initiative. He said: "Japan reminded us of the reality that we are living in this region together." Israeli Foreign Minister Tzipi Livni also stressed her support for the initiative, remarking: "It will become an arena to provide for the future of the Palestinians."

In a bid to bring about peace in the region, Japan's corridor concept aims to have Israel and the Palestinians jointly engage in economic activities and build up mutual confidence.

A Foreign Ministry official said: "If the project achieves success, it will be a new model for Japan in offering aid to regions in conflict."

Energy resources are behind Japan's eagerness to be involved in the Middle East peace process. If this region is stabilized, Japan's securing of energy resources will be guaranteed.

But a Foreign Ministry source said: Europe and America "take a cool view" toward Japan's involvement in the Middle East peace process, given the complexity of the situation.

For instance, Jericho, in which the concept calls for constructing an agro-industrial park, has been occupied by Israel since the 1960s. Israel and the Palestinians have been at loggerheads over who should rule this ancient city.

In a four-party working-level meeting held in June, representatives

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from Israel and the Palestinian autonomous regions engaged in a finger-pointing game over the issue. There was even a scene in which the target of criticism was directed at Japan, questioning if Japan really understood the circumstances."

6) Japan's ability as intermediary to be tested in Middle East peace efforts

YOMIURI (Page 2) (Full)
August 17, 2007

"Military force" has always affected politics in the Palestinian autonomous regions. Local communities place their high hopes on Japan's attempt to lay the groundwork to bring about peace in the region with "industrial development" as a lever. Japan has carried out assistance projects in Jericho, in which Japan plans to construct an agro-industrial park, by constructing hospitals, etc. Its governor said: "People in Jericho are feeling stronger affinity toward Japan more than those living in any other autonomous regions." The Israeli government has also expressed its support for the Japanese concept, a Foreign Ministry spokesman remarking: "The development of the Palestinian region will also contribute to benefiting us." However, a perception gap between Israel and the Palestinians has already come up to the surface. Japan is being tested over its ability as an intermediary.

As a potential site for the construction of the agro-industrial park in Jericho, the Palestinian government suggests an area occupied by the Israeli military. Meanwhile, Israel insists on it being somewhere else in the Palestinian autonomous area. Over a project to reconstruct a bridge between the Palestinian region and Jordan, as well, the Palestinian side calls for a large-scale one enough to take care of transporting goods, while the Israeli side assails that an "expanded bridge goes beyond our expectation." The construction of a facility in a disputed area in the Middle East involves complicated problems, such as a borderline to be set in the future and security. A researcher at a Palestinian human rights group said: "Japan must avoid giving excessive consideration to Israeli's voices and confirming the state of its occupation."

7) Foreign Minister Aso leaves for Latin America in mood as if going on graduation trip: Cites visit to Middle East as most interesting work he did as foreign minister

NIKKEI (Page 2) (Full)
August 17, 2007

Winding up his visits to Middle East nations, Foreign Minister Taro Aso yesterday morning (afternoon of the same day, Japan time) departed for Latin America, the next destination of his overseas tour. A cabinet reshuffle and the changing of the LDP leadership lineup are to take place later in the month. However, he is calmly using up his remaining days as foreign minister. Since he is deemed as most likely to be the next LDP secretary general, his travel to Latin America is generating a mood that he is going on a "graduation trip."

Aso during a press conference in Jerusalem was self-congratulatory, because Japan's Palestinian Economic Revitalization Initiative was highly appreciated at the cabinet minister-level four-party talks for the promotion the Middle East peace process. He noted, "I thought I wanted to live until the time when that desert becomes

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green in the years ahead."

Looking back on his tenure as foreign minister, Aso made a comment, which could be taken as a declaration of resigning his post. He said, "My visits to Middle East nations were the most interesting part of the job as foreign minister."

However, he remained extremely cautious about the words he used when he commented on personnel matters. Reporters asked about a rumor about the replacement of the foreign minister during a joint press conference with Israeli Foreign Minister Livni held after their

meeting. When Livni was having difficulty replying to the questions, Aso saved the situation, telling him with a smile, "Please disregard such a question,"

Jerusalem, Manabu Shimada

8) Aso's caliber as future LDP secretary general unknown: Abe trusts him but many LDP members concerned about his ability

YOMIURI (Page 4) (Excerpts)
August 17, 2007

With the upcoming shuffling of the cabinet and the Liberal Democratic Party (LDP) executive lineup on Aug. 27, Foreign Minister Taro Aso, whose assumption of the LDP secretary general post has informally been decided, made a statement in Jerusalem yesterday summing up his current job. All eyes were focused on his remarks. Now that the opposition camp controls the House of Councillors, the ruling coalition will probably find it difficult to adopt its Diet and election strategies. Therefore, some in the LDP are concerned about Aso's capability to serve as secretary general since he does not have much experience in party affairs.

Aso said in an informal meeting with reporters accompanying him to the Middle East: "I think I have produced the most constructive achievement (during this tour) during one year and ten months as foreign minister." He desperately tried to avoid referring to topics related to the political situation.

"Prime Minister Shinzo Abe has often conferred with Aso about the reshuffles of the cabinet and LDP executive posts," said an aide to Aso. Therefore, Aso appears not to give his word to the reporters.

Asked about the trust that exists between Abe and Aso in a TV program on Aug. 12, former Prime Minister Yoshiro Mori stated: "Mr. Abe and Aso competed in the LDP presidential race. I think (Abe) recognized at that time (Aso) had something in him that he should respect." A person close to Abe also pointed out: "The prime minister expects Aso, who is good at making people laugh, will become the party's strong point for the next House of Representatives election."

In fact, Abe has relied on Aso, who is 14 years senior to him, as a person to consult. On July 29, election day for the Upper House, Abe told Aso at first his intention to stay on in office and Aso encouraged him. Since then they have often met.

However, in contrast to Abe's trust in Aso, a former cabinet minister made this comment:

"I have my doubts that the formation of an Abe-Aso leadership can be

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called a cabinet shuffle. I instead worry that the prime minister would again make a cabinet of his close friends."

With the opposition having traded places with the ruling camp in the Upper House, the next LDP secretary general will have such significant responsibilities as rebuilding the party structure, coordination with Minshuto (Democratic Party of Japan) regarding Diet affairs, as well as measures for the next Lower House election. It is said that Aso has little experience in dealing with Diet affairs as he has engaged in economic and education policies.

A senior member of the Niwa-Koga faction said:

"In order to overcome a crisis in national politics, a politician who has the capability of working to form a grand coalition with the DPJ should serve in the secretary general's post. However, I have never heard that Aso has any communication channels to the DPJ."

What government officials are concerned is that the faction headed by Aso has only 16 members and his political footing in the party is weak. A senior member of the Yamasaki faction pointed out: "The Aso faction not only has a small number of members, but also there are few members who have served in key party and cabinet posts."

9) "The prime minister's leadership is being questioned," says Nakatani over transfer of vice defense minister

TOKYO SHIMBUN (Page 2) (Full)
August 17, 2007

Commenting on the uproar over the appointment of the next vice defense minister, former defense chief Gen Nakatani during a TBS news program criticized the prime minister's handling of the issue, noting, "Since the supreme commander of the Self-Defense Forces is the prime minister, he must handle personnel matters in a way that will not cause a situation like this. The prime minister's official residence (Kantei) must find an answer to this problem, but it has just put it on the back burner. The prime minister's leadership is being tested on this issue."

Regarding Defense Minister Yuri Koike, he called on her to reconsider the personnel decision, noting, "It is unbelievable that she did not talk about this issue with Vice Defense Minister Takemasa Moriya. The matter has had an effect on the morale of the SDF. The defense minister should take a hold of this issue by having another look at her ministry and reconsider who would be suitable for the post."

10) Prime Minister Abe shelves policy of creating a "beautiful country" after LDP's setback in Upper House race, now placing emphasis on daily lives of people

TOKYO SHIMBUN (Page 1) (Excerpts)
August 17, 2007

Prime Minister Shinzo Abe has now essentially shelved his policy of creating a "beautiful country" of Japan. Since his Liberal Democratic Party (LDP) suffered a crushing defeat in the July House of Councillors election, he has never talked about this policy, apparently disappointed that his policy was not understood by the public and may have been one of the reasons for the LDP's humiliating defeat in the election. Abe has now revised his

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strategy. He is trying to boost the popularity of his cabinet by setting forth policy measures affecting the daily lives of ordinary people. However, a change in his policy might prompt conservative supporters for the Abe administration to distance themselves from Abe.

The "beautiful country" policy was the keyword of the Abe administration, which aims at creating a country (1) that thinks a great deal of culture and tradition, (2) that observes rules for free society, (3) that is respected by the rest of countries. In his policy speech delivered last September, the prime minister repeated eight times the phrase "beautiful country."

To that end, Abe set forth the policies of reinterpreting the Constitution so that Japan would be allowed to exercise the right of collective self-defense, constitutional amendments and educational reform. However, Since many of them were not directly related to the daily lives of people, his LDP was defeated by Minshuto (Democratic Party of Japan), which pledged to improve the peoples' lives.

The Abe government, therefore, has decided not to go forward with the "beautiful country policy," although it will not abandon the concept. The prime minister intends to refer to it once or twice in the policy speech he will deliver in the extraordinary Diet session in September. He also intends not to use as much as possible the phrase he repeats like a mantra of "breaking with the postwar regime."

However, since the Prime Minister's Official Residence's project team of "creating a beautiful country" has received about 3,000 ideas from the public, the government plans to use them when it sets forth policies.

MESERVE